

FISCAL NOTE

Bill #: HB0443

Title: Revise major facility siting act

Primary Sponsor: Lange, M

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality

1. Section 8 revises the fee schedule for the applicant's filing fee for a Montana Major Facility Siting (MFSA) Act Certificate.
2. It is difficult to determine costs of processing an application in advance of receiving the application. Costs are dependent on the complexity of the area being traversed, the design of the proposed project, public perception of the project, flexibility of the project sponsor and landowners potentially affected by a facility and other factors that may not be apparent prior to application.
3. If an application does not contain adequate baseline information on reasonable alternatives that would be raised during the public review process or the applicant cannot submit this information in a timely manner, the department would have to develop this information in the course of preparing the report under 75-20-216(4), MCA, and make the findings required under 75-20-301, MCA.
4. The current MFSA program does not have sufficient in-house resources to prepare all necessary background information for the report. Contractors would be used to assist in preparation of the report required by 75-20-216(4), MCA.
5. Based on past experience and the revisions in the fee schedule, DEQ assumes that the proposed fee schedule is adequate to cover the costs of small short projects
6. Due to the unknowns identified in assumption #2 and not knowing if staff resources available are adequate to address the significant issues associated with an application, it is difficult to determine the adequacy of the fee schedule on larger projects, especially where contractors would be used.

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7. There may not be sufficient fees for the department to gather the information. This may result in the department not being able to certify a project.
8. The department has requested \$300,000 in spending authority for MFSA projects for the 2005 biennium in HB 2. Since long-range plans are no longer required under MFSA, DEQ can not project the applications that will be received. Therefore, DEQ assumes that this bill will have no additional fiscal impacts on the department.

Department of Commerce

9. HB 443, Section 17, amends Coal Board statute 90-6-207, MCA, priorities for impact grants, in the Department of Commerce. The department is unable to quantify or estimate what, if any, fiscal impacts there might be to either the department or to coal impacted local governments should HB 443 be adopted, because the difference between “a certificate of environmental compatibility and public need” granted by the Board of Environmental Review (present law), and “an air quality permit” issued by the Department of Environmental Quality (proposed law), is uncertain.

FISCAL IMPACT:

No quantifiable impact

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Section 17 makes coal impact funds available for local governments where an air quality permit has been issued for a new or closing steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of Montana mined coal for which the Department of Commerce determines the construction or operation will commence within two years of the designation or will close within a year.

LONG-RANGE IMPACTS:

DEQ would have fewer fees available to process applications for medium to large projects and more fees would be available for smaller projects.